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SC DEPT OF INSURANCE

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Before the State of South Carolina
Department of Insurance

In the matter of:

American Manufacturers Mutual Insurance
Company,

One Kemper Drive
Long Grove, IL 60049

SCDI File Number 110770

Consent Order
Imposing Administrative Penalty

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance (the Department) and American Manufacturers Mutual Insurance Company (the Company), an insurer licensed to transact insurance business within the State of South Carolina.

I hereby find as fact that the Company failed to pay within 15 days a final judgment rendered against it by the South Carolina Workers Compensation Commission in the proceeding entitled Fernando L. Magney v. Security Link in the amount of \$120. The Company acknowledges, and I find as fact, that it also failed to pay that judgment within fifteen days of being instructed to do so by the Department. This act violates § 38-55-120 of the South Carolina Code, which can ultimately lead to the revocation of an insurer's certificate of authority, pursuant to that Code section as well as §§ 38-2-10 and 38-5-130, to transact the business of insurance within the State of South Carolina, following a public hearing before the Administrative Law Judge Division.

Rather than contesting this matter, the parties have agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that, in lieu of the Department's filing of a petition to revoke The Company's certificate of authority to transact business as an insurer within the State of South Carolina, the insurer would waive its right to a public hearing and immediately submit to the Department an administrative penalty in the total amount of \$1,000.

After a thorough review of the matter, carefully considering the recommendation of the parties, and pursuant to my findings of fact and conclusions of law, I hereby impose an administrative penalty in the amount of \$1,000 against the Company pursuant to the authority provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Sapp. 2000). The Company must pay this administrative penalty in full within ten days of the date of my signature upon this consent order. If the Company does not pay this amount on, or before, that date, then the Company's certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

American Manufacturers Mutual Ins. Co.

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06/14/2005 11:02AM (GMT-05:00)

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This administrative penalty has been reached by the parties as a result of the Company's satisfaction of the Workers Compensation Commission judgment and of the insurer's assurance that in the future it will timely pay final judgments rendered against it in South Carolina. This penalty includes all expenses related to investigation of this matter as provided in § 38-13-70 of the South Carolina Code. The parties expressly agree and understand the Company's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, the Company acknowledges that it understands that this order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to §§ 38-3-110 of the South Carolina Code, of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that American Manufacturers Mutual Insurance Company shall pay the Department an administrative penalty in the total amount of \$1,000.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.



Eleanor Kitzman
Director

August 2, 2005
Columbia, South Carolina

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SO DEPT OF INSURANCE

ICONSENT:

Donna W. Johnson
Signature of Authorized Representative

Donna W. Johnson
Name

Corporate WC Manager
Title

American Manufacturers Mutual Insurance Company
One Kemper Drive
Long Grove, IL 60049

Dated this 16th day of June 2004
2005

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